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January 31, 2003

Ms. Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Dear Ms. Massaro:

We are filing, herewith, for effect March 2, 2003, tariff material consisting of:

RI PUC No. 15

Part/Section	Revision of Page(s)	Original of Page(s)
<u>TOC</u>	35 and 36	N/A
<u>C/6</u>	N/A	4, 5, 6, and 7
<u>M/3</u>	N/A	13.2 and 13.3

This filing introduces Enhanced FlexGrow® Service. Enhanced FlexGrow is an intraexchange, multifunctional digital service for business customers that provides voice and high speed data services on an integrated basis over a single high-capacity T1 facility. This new service expands the inroads made by the original FlexGrow Service by adding more applications and allowing an “a la carte” approach to filling the bandwidth of the facility. High speed access to data networks and the promise of associated cost savings for the customer has been a key driver for the further development of FlexGrow.

The estimated annual revenue associated with the introduction of Enhanced FlexGrow is \$66,200 in Year One, \$265,395 in Year Two, and \$407,445 in Year Three.

If you have any questions regarding this filing, please contact Frances O'Neill-Cunha of my staff at 401 525-3560.

Enclosed are an original and nine copies of the tariff material. Please return a copy of this letter and the tariff pages marked "Duplicate" with your stamp of receipt.

Respectfully submitted,

Theresa L. O'Brien

Attachments

Enhanced FlexGrowTM Service

VERIZON – Rhode Island

TARIFF FILING SUPPORT PACKAGE

January 31, 2003

Enhanced FlexGrow Service

Verizon Rhode Island

Tariff Filing Support Package

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Enhanced FlexGrow® Service

Section 1: Background and Description

Rationale:

The purpose of this tariff filing is to introduce Enhanced FlexGrow^{Service}. This new service expands the inroads made by the original FlexGrow Service, which provided four packaged configurations. Enhanced FlexGrow leverages the package concept by adding more applications and allowing an “a la carte” approach to filling the bandwidth of the facility.

A strong and growing market exists for increased bandwidth and the convergence of services over a single communications connection/pipe. Convergent access technology, or the integration of voice/data services onto a single pipe, is fast becoming mission critical to both service providers and to end-users. The small business market is particularly sensitive to these issues, seeking to gain the efficiencies of one network, both in cost and ease of administration. High-speed access to data networks and the promise of the associated cost savings have been a key driver for the further development of FlexGrow.

There are various products that deliver a “fat pipe” to the customer premises that, with CPE, combine and transport voice and private line data services to the network. While these services provide a technical means to deliver voice and data over the same facility, their use of bandwidth may not be efficient. Small businesses, that do not have in-house communications support, usually seek to solve this problem by using bundled services from service providers. Enhanced FlexGrow service will address the needs of this market by offering an integrated and managed service.

Enhanced FlexGrow Service is an intraexchange, multifunctional digital service for business customers that provides voice and high-speed data services on an integrated basis over a single high-capacity T1 facility. The service requires channel bank equipment on the customer’s premises to terminate the T1 (DS1) facility. The customer premises equipment (CPE) is not part of the regulated service but must be compatible with the equipment in the serving central office of the customer.

Enhanced FlexGrow Service is offered in capacity increments of whole T1 lines, which can be used to transport analog voice grade signals over DS0 channels (64 Kbps capacity). High-speed data signals are available over

bonded channels. At the customer's request, the Company will channelize the available bandwidth and will route voice grade and high-speed data circuits between the customer's premises and the customer's serving central office. The DS1 facility will terminate in a suitably equipped digital hubbing arrangement.

The following types of network services are available on a channelized basis via Enhanced FlexGrow Service: Analog Voice Service (local exchange business lines, PBX trunks, Digital Centrex Plus, voice grade private lines). Also, dedicated access at speeds of 256Kbps, 384Kbps, 512Kbps and 768 Kbps is available.

The Company will, if necessary, further route private line or dedicated services within the same Local Access Transport Area (LATA) between the digital hubbing arrangement in the customer's serving central office and a suitable digital hubbing arrangement in a remote central office. At either the customer's serving central office or the remote central office, the private line or dedicated channels which are terminated in a digital hubbing arrangement can be electronically connected to compatible channels designated by the customer or authorized representative. Initial service activation is required for a DS 1 facility. Additional activity subsequent to the initial installation is required on a DS0 basis if capacity is available.

There are six feature packages available with Enhanced FlexGrow comprised of the following services:

Feature Package 1 <ul style="list-style-type: none">• Call Waiting• Call Forwarding• Call Waiting ID with Name	Feature Package 4 <ul style="list-style-type: none">• Call Waiting• 3 Way calling• Call Waiting ID with Name
Feature Package 2 <ul style="list-style-type: none">• Call Waiting• Call Forwarding• Caller ID	Feature Package 5 <ul style="list-style-type: none">• Call Waiting• Call Forwarding• 3 Way Calling• Caller ID
Feature Package 3 <ul style="list-style-type: none">• Call Forwarding• 3 Way calling• Caller ID	Feature Package 6 <ul style="list-style-type: none">• Call Waiting• Call Forwarding• 3 Way Calling• Call Waiting ID with Name

Enhanced FlexGrow requires a Central Office that is equipped with digital hubbing interfaces. In Rhode Island, there are currently three Central Offices that have this equipment. They are Providence-Washington Street, Pawtucket, and Warwick. There are plans to expand this base in future years.

This product is available for resale.

The product has a minimum service period of one year, and term contracts are available. If a customer terminates service within the first year of an agreement, the customer is responsible for 100% of the recurring charges for the balance of the minimum service period plus 30% of the unpaid balance remaining in the selected service period. Customers may convert from a month-to-month, two- or three-year service agreement or to a different FlexGrow Package without incurring a termination liability charge as long as the service agreement is equal to or greater than the customer's current service period. This is consistent with the termination liability charge provisions in other Verizon jurisdictions where it is available.

SECTION 2: Rate Development

The target market for this proposed service are business customers. The proposed rates are set at levels that would encourage customers to select FlexGrow as their Integrated Network Service. The proposed monthly rates and non-recurring charges for FlexGrow Service are shown below:

Rate Element	Non-Recurring Rate	Recurring Rate Mo. to Mo.	Recurring Rate - 2 year	Recurring Rate - 3 year
FlexGrow System Service Activation (NRC)-Init.	75.00			
FlexGrow System Service Activation (NRC)-Add'l	25.00			
FlexGrow System - C.O. Capacity per 24 Channel		180.00	155.00	130.00

Rate Element	Non-Recurring Rate	Recurring Rate Mo. to Mo.	Recurring Rate - 2 year	Recurring Rate - 3 year
Service Activation per DS0* after initial installation (NRC)	25.00			
Analog Line/ PBX Trunk/		3.75	N/A	N/A
Centrex Plus				
Voice Grade Connectivity		1.00	N/A	N/A
FlexGrow IntraOffice Per Channel Charge		7.00	N/A	N/A
FlexGrow InterOffice Per Channel Charge		12.00	N/A	N/A
Service Level Grooming				
Level 4 - 256K		2.00	N/A	N/A
Level 6 - 384K		3.00	N/A	N/A
Level 8 - 512K		3.00	N/A	N/A
Level12 - 768K		3.00	N/A	N/A
FlexGrow System rearrangement	200.00			
DS0 Line Feature Packages				
Feature Package 1		5.00		
Feature Package 2		5.00		
Feature Package 3		5.00		
Feature Package 4		5.00		
Feature Package 5		6.00		
Feature Package 6		6.00		
Centrex Plus Basic Features		5.00		
FlexGrow Feat. activation - after Init. install	10.00			
Centrex Feat. activation - after init. install	25.00			

Verizon certifies that the above rates proposed for Enhanced FlexGrow Service are not less than the Long Run Incremental Cost of such service.

Section 3: Revenue Projection FlexGrow Services

The following are the three-year service and revenue forecasts for Enhanced FlexGrow in Rhode Island.

	Year 1	Year 2	Year 3
Forecasted Units	40	71	100
Revenue	\$66,200	\$265,395	\$407,445